



Retention

"...one point is very clear: No matter how well we execute our recruiting and training plans, we will not restore personnel readiness unless we improve retention."

ADM James Loy
United States Coast Guard Academy
10 January, 2001

With this statement, our Commandant has kicked off what I'll refer to as a "retention campaign," a concerted effort to get out the word to all of our supervisors, managers, leaders and Flag and Senior Executives that each of us must personally engage to improve retention.

ADM Loy went on to say that retention must be addressed at the organizational level, the unit level, and at the individual level.

When I first arrived at this job in 1998, clearly our number one challenge was rebuilding our workforces. Plans were developed that provided the strategies and resources to successfully fill the active duty enlisted workforce in two years, complete rebuilding our reserve workforce to the 8000 level and reverse the negative trend in civilian hiring (we were not hiring as fast as employees were leaving). Clearly, our success was due in large part to the significant help from all Team Coast Guard with such efforts as "Every Coastie a Recruiter."

While this effort was going on, we were watching the other side of the equation - retention - very closely. Officer retention, especially at the O-3 level, was already going in the wrong direction as I pointed out at the Spring 1999 Flag Conference. If you are interested in what I said back then, go to <http://www.uscg.mil/hq/g-w/hrhome.htm> and click on "Download the 1999 Spring Flag Conference Brief." The officer part begins with Slide 58. Officer attrition has become more pronounced since then. Meanwhile, enlisted retention was holding fairly steady with the right SRB interventions in the necessary areas. Likewise, civilian retention appeared healthy. However, over the last year we have seen both enlisted and civilian attrition increase to where, if the trend continues, we will lose

ground and workforce gaps will increase. In particular for FY00:

Officer workforce:

- 520 officers accessed against a goal of 552; average accession in 90s was 425/yr.
- 101 enlisted to OCS (average in 90s was 60).
- Loss rate of 8.88%; average loss rate in 90s was 6.8%.
- LT attrition nearly doubled in last 2 years and is 10 times that of a decade ago.

CWO workforce:

- 223 CWOs accessed (90s average was 185).
- Loss rate of 12.49% (less CWO-LT); average loss rate in 90s was 10.42%.
- 49 CWO to LT (90s avg 30).

AD enlisted workforce:

- Recruited 4721 (Goal 4700), but short 590 petty officers.
- Loss rate (16.1%) matches 10 year high.
- Plus "lost" 339 Enlisted to CWO/OCS/ACET.
- 1st term reenlistment rate down - 60% to 52.5%.

Civilian workforce:

- Hired 546 permanent and 343 temp employees; bodies to positions at minus 555.
- Positions grew by 115 (including 60 military to civilian conversions); since many hires are from within, actual plus up of workforce was only 109 and "gap" was not closed.
- Attrition Rate of 8.0%, up from 7.2% (Note: Natural Vacancy Rate = 3 to 5%).
- Expectation is to grow force by an additional 180 in FY01.
- "Aging" of the workforce; 17% are eligible to retire within the next 4 years.

Addressing retention at the "organizational level," we have been working with DoD to seek and achieve substantial improvements in what I call the "big four" - military pay compensation, housing, healthcare and retirement. A review of many of my Flag Voices will highlight the unprecedented improvements in all of these areas, most notably large pay raises and the beginning of pay table reform, SEPRATS reform, repeal of the REDUX 40% retirement system, BAH with out-of-pocket costs heading towards zero, and TRICARE Prime Remote to name just a few. New authorities just waiting additional funding will be realized, such as substantially increased Sea Pay and BAH for shipboard single E-4s. Additionally, the Coast Guard has increased funding on Selective Reenlistment Bonuses (SRBs) from about \$2M per year to \$10M per year, increased tuition assistance to \$2500, increased funding on Special Duty Assignment Pay (SDAP), established a number of supplemental advancement lists considerably speeding up promotions, and reestablished BM "A" School. On the civilian side, there are new recruitment and retention bonuses and new pay scales for specific occupational series from the Office of Personnel Management (OPM), and our own efforts to improve recruitment and hiring using technology.

And we are working towards a long list of other organizational level improvements. While these are being sought at Headquarters, if we don't properly attend to retention at the unit and individual levels, then we'll continue to fall farther behind in having the people we need to do our jobs.

Retention is the number one workforce issue throughout the United States. It's being called the "war for people" or "war for talent" both inside and outside federal government.

This was the focus of the Leadership Council's first video teleconference brief on 15 December. There are clearly human resource policies and processes that need to be changed, and in essence this is what Future Force 21 is all about. However, **at its heart, retention is a leadership issue.**

In the private sector, talent retention is consistently shown to be critical to business success. Studies link commitment and retention to financial performance and productivity. Replacement of talent is enormously expensive, both in direct and indirect costs. While the perception that compensation is unfair will drive employees away, in most cases money is not the primary motivation for leaving. A shift in leadership style is more likely to bring about real changes in voluntary turnover. People want to be challenged with work that is meaningful, to have the opportunity to develop their careers and learn new skills, to have a little fun and to have the flexibility to take care of personal matters during business hours now and then. **Employees don't want to work for uncaring supervisors, and many no longer feel compelled to.** They do want to be recognized for their contributions, and according to the Gallup study I've discussed in a series of Flag Voices, most prefer recognition coming directly from their supervisors. If you tell them often they are valuable and appreciated, they may choose to stay. Another study reported that poor management is the reason behind 70% to 80% of employee defection. **A trusting relationship with a supervisor sways decisions about staying or leaving** according to another study. The fact is the "market forces" killed the traditional social contract and are working in favor of employees today. As leaders, we have to face up to the reality that organizations like our Service need employees more than our employees need us - 180 degrees out from the environment a decade ago. **The idea that "people are expendable" and the HR folks will just send me another replacement if this one doesn't work out is, at best, a severely wasteful strategy.** According to a 1999 private sector study, the price tag for losing a typical worker is \$50,000.

I trust the above sets the stage as to why retention is important. **In his recent remarks at the Coast Guard Academy, ADM Loy placed a two-part leadership challenge before the future officer graduates and students at the Leadership Development Center.** First, an obligation to treat Coastie "heroes" with respect, the first term sailors who represents the present and future effectiveness of the Coast Guard. Second, to help us improve retention rates by communicating your own sense of pride to your first-term sailors.

The highest levels of the Coast Guard have acknowledged this challenge by way of the Leadership Council (Commandant, three star flag officers and the Master Chief Petty Officer of the Coast Guard) and have endorsed a "retention campaign." **I ask you to take this on as a personal responsibility - within your immediate staff, work group, or unit.** More information and tools to help will follow, but your personal commitment to understanding the underlying drivers to attrition, and lending your personal time to dealing with these issues, is the most important action we can take as a Service.

As ADM Loy concluded his remarks at the Coast Guard Academy:

"...retention can be improved right now at the unit and individual levels. In fact, of all the service-wide challenges we face, retention is the one that is most effectively addressed by local and personal leadership.

The measures I'm working on will help remove some of the irritants and hardships that can cause people to want to leave the service. But it does not lie within my power to make someone want to stay. That part is up to you.

When all is said and done, people will stay in the Coast Guard if three conditions are present: their families are decently provided for; they find the work meaningful; and they find respect and acceptance among their shipmates. Let's each resolve to make it so!"

Leadership Quote:

John T. Chambers, Chief Executive of Cisco Systems Inc., one of the most successful businesses in the world today, was asked, "**What does it takes to retain good people at Cisco Systems?**" Chambers' answer was three reasons:

"The reason people stay at a company is that it's a great place to work. It's like playing on a great sports team. Really good players want to be around other really good players.

"Secondly, people like to work for good leadership. So creating a culture of leaders that people like is key.

"And the third is, are you working for a higher purpose than an IPO or a paycheck?"

The Coast Guard's missions are clearly the "higher purpose" John Chambers refers to as the third reason. But do we have the great places to work and good leadership throughout our Service? As ADM Loy said, "Let's each resolve to make it so!"

Please see ALCOAST 148/01 that announces the retention program and explains our intentions. Our retention website can be accessed directly at <http://www.uscg.mil/staycoastie> or at the Coast Guard's Internet Home Page <http://www.uscg.mil/> by clicking on the "Stay Coastie" button.

Regards, FL Ames

Quote from Master Chief Petty Officer Tom Hall, CMC 1st CG District:

"The home page speaks to retention, to stay or go. Pro's and Con's are addressed, along with education and pay. Take a look at it, use it for career planning and mentoring. I know we are going through some tough times, but think of the good things that you have experienced in the Coast Guard.... Sure times are tough...but try and have FUN. The things we do in the CG are difficult to match on the outside. Yes, we get seasick, work long hours, get frustrated, and grump about things that need to be done. But I would submit, when the smoke clears our people will take with them a memory that will forever be burned into their soul...that of being a Coastguardsman, a shipmate, aircrewman or boatcrewman. You can't get that pride and honor from many other places. My wife's uncle helped me build my house...he used to say "measure twice, cut once." I would ask that we all do as my wife's uncle stated when contemplating our future in the Coast Guard. I am very proud of you all, and you should be equally proud of yourselves!"

ALCOAST 148/01

COMDTNOTE 1100

SUBJ: WORKFORCE RESTORATION

A. COMDT COGARD WASH DC 162304Z FEB 01 (NOTAL)

B. COMDT COGARD WASH DC 232158Z MAR 01, ALCOAST 119/01

1. TWO OF MY AREAS OF EMPHASIS, RESTORING OUR READINESS AND SHAPING OUR FUTURE, DEPEND UPON IMPROVING RETENTION - PARTICULARLY AT THE JUNIOR ENLISTED AND JUNIOR OFFICER LEVELS. THIS IS ESPECIALLY IMPORTANT GIVEN THE REALITIES OF OUR PRESENT FUNDING ENVIRONMENT THAT I ADDRESSED IN REFERENCE (A) AND THE REDUCTION STRATEGIES I ANNOUNCED IN REFERENCE (B). MORE THAN EVER, THE COAST GUARDS FUTURE WELL-BEING DEPENDS ON RETAINING THE TALENTS OF THOSE EXPERIENCED COASTIES WHOM WE'VE MADE AN INVESTMENT IN, WHILE CONCURRENTLY TAILORING OUR HR ACCESSION CAPABILITIES AND IMPLEMENTING OTHER COST-SAVING INTERVENTIONS TO LIVE WITHIN OUR BUDGET. NO MATTER HOW THE EBBS AND FLOWS OF OUR ACCESSION AND TRAINING PLANS PLAY OUT IN OUR PRESENT AND FUTURE BUDGET CYCLES,

LET ME LEAVE NO DOUBT THAT A HEALTHY WORKFORCE AND THE RESTORATION OF PERSONNEL READINESS BEGINS AND ENDS WITH IMPROVED RETENTION.

2. A PRIMARY CHALLENGE FACED BY ALL LEVELS OF LEADERSHIP, FROM THE FLAG/SES CORPS TO THE FRONT LINE SUPERVISOR (MILITARY AND CIVILIAN ALIKE), IS TO COMMUNICATE THE SENSE OF PRIDE WE HAVE IN THE COAST GUARD AND TO DELIVER WHAT OUR JUNIOR PEOPLE CAME INTO OUR ORGANIZATION TO FIND. THAT MEANS TREATING THEM WITH RESPECT, OFFERING THEM AND THEIR FAMILIES A GOOD QUALITY OF LIFE ON PAR WITH DOD SERVICE MEMBERS, AND BY GIVING THEM THE EQUIPMENT, TRAINING AND SHIPMATES THEY NEED TO DO THEIR JOBS. TO DO SO, RETENTION MUST BE ADDRESSED AT THE ORGANIZATIONAL, UNIT, AND INDIVIDUAL LEVELS.

3. AT THE ORGANIZATIONAL LEVEL, WE HAVE BEEN ABLE TO DELIVER SIGNIFICANT IMPROVEMENTS TO OUR OVERALL BENEFITS - LOWER OUT-OF-POCKET HOUSING EXPENSES, IMPROVED HEALTHCARE, SOLID PAY INCREASES - AND MORE ARE ON THE WAY. IN AN EFFORT TO AID IN THE DECISION MAKING PROCESS OF OUR PEOPLE, MY STAFF HAS DEVELOPED SEVERAL "TOOL KITS" TO INCLUDE A "STAY COASTIE" WEB-SITE TO PROVIDE "ONE STOP SHOPPING" ON THE BENEFITS OF STAYING IN THE COAST GUARD. IT CAN BE ACCESSED AT [HTTP://WWW.USCG.MIL/STAYCOASTIE](http://www.uscg.mil/staycoastie) AND VIA THE COAST GUARDS INTERNET HOME PAGE. COMMANDS SHOULD ALLOW MEMBERS MAXIMUM ACCESS TO THIS INFORMATION. A PAMPHLET WILL ALSO BE MAILED TO EACH UNIT AND TO THE HOMES OF ALL COASTIES WHO ARE WITHIN 18 MONTHS OF THEIR END OF ENLISTMENT OR OBLIGATED SERVICE, TO BE USED BY THOSE MEMBERS AND FAMILIES AT AN INITIAL DECISION POINT IN THEIR CAREER.

4. IN THE MEANTIME, RETENTION CAN BE IMPROVED AT THE UNIT AND INDIVIDUAL LEVEL. IT IS THERE THAT LOCAL LEADERSHIP CAN MOST EFFECTIVELY ADDRESS THE NEEDS OF OUR MEMBERS AND THEIR FAMILIES. WE HAVE THE "JOBS THAT MATTER," OUR NOBILITY OF PURPOSE, AND OUR CORE VALUES OF HONOR, RESPECT AND DEVOTION TO DUTY - THE REASONS WHY PEOPLE FROM ALL WALKS OF LIFE ARE ATTRACTED TO THE COAST GUARD. THE REST IS UP TO YOU, OUR LEADERS, TO CREATE A POSITIVE WORKPLACE WHERE THE DECISION TO REMAIN IS AN EASY ONE. I BELIEVE PEOPLE WILL STAY IF THREE CONDITIONS ARE PRESENT: THEIR FAMILIES ARE DECENTLY PROVIDED FOR, THEY FIND THE WORK MEANINGFUL, AND THEY FIND RESPECT AND ACCEPTANCE AMONG THEIR SHIPMATES. ALL LEADERS MUST CLEARLY DEMONSTRATE AN INTEREST IN THE WELL-BEING OF THEIR PEOPLE, BECAUSE THEY ARE THE HEROES WHO HAVE VOLUNTEERED TO SERVE THEIR COUNTRY THROUGH SERVICE WITH THE COAST GUARD, NOW AND INTO THE FUTURE. IN A SPEECH I GAVE AT THE COAST GUARD ACADEMY IN JANUARY, I STRESSED THESE THEMES AND MORE, AND I ENCOURAGE EVERYONE TO READ IT. IT CAN BE ACCESSED AT: [HTTP://WWW.USCG.MIL/](http://www.uscg.mil/)

[COMMANDANT/SPEECHES/SPEECHES.HTML](#).

5. ANOTHER WEB-SITE, [HTTP://CGWEB.uscg.mil/G-WP/G-WP-1/AD_ENLISTED_RETENTION.HTM](http://CGWEB.uscg.mil/G-WP/G-WP-1/AD_ENLISTED_RETENTION.HTM) LISTS RETENTION GOALS ESTABLISHED FOR DIFFERENT TYPES OF UNITS, AS WELL AS RETENTION STATISTICS BY RATING, UNIT TYPE AND BY DISTRICT. IT IS AVAILABLE FOR USE IN DETERMINING APPROPRIATE AREAS OF EMPHASIS FOR INDIVIDUAL UNIT RETENTION PROGRAMS. IF YOU HAVE BEST PRACTICES TO SHARE, JUST FOLLOW THE LINKS ON THIS WEB-SITE TO THE BULLETIN BOARD.

6. REGULARLY DISTRIBUTED FLAG VOICES ADDRESS MANY ISSUES RELATED TO RETENTION. AS LEADERS, I ASK THAT YOU PERSONALLY REVIEW THESE COMMUNICATIONS AND TAKE EVERY OPPORTUNITY TO SHARE THIS INFORMATION AMONG YOUR PEOPLE.

7. IT IS MY EXPECTATION THAT AREA, DISTRICT, MLC AND UNIT COMMANDERS, AS WELL AS SUPERVISORS AND LEADERS AT ALL LEVELS WILL MAKE RETENTION A PERSONAL PRIORITY. PLEASE MAKE IT SO.

8. INTERNET RELEASE AUTHORIZED.

9. ADM J. M LOY, USCG, COMMANDANT SENDS.



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